



WPT Update from Managing Director Peter Fahey



22 September 2021

Dear WPT Unitholder,

On behalf of the directors of Clarence Property Corporation, I'm pleased to enclose a copy of the Westlawn Property Trust (WPT) audited financial statements for the year ended 30 June 2021. I'd also like to take the opportunity to welcome the 202 new Investors who joined us during the year.

2020/21 in Review

Despite another challenging year of COVID-19 curveballs WPT, combined with Epiq Lennox Property Trust, experienced a strong year financially. The highlights of FY 20/21 were:

- Total revenue was \$75.9m, including \$33.5m of rental property income and \$40.6m of residential land sales.
- After-tax profit was \$23.6m, or approximately 7.5 cents per unit.
- WPT total asset value at 30/6/2021 was \$533m, an increase of \$136m since 30/6/2020.
- 10 commercial properties were acquired during the year, for \$101.1m.
- 6 commercial properties were independently valued, resulting in a 13% increase in value.
- In line with one of WPT's investment strategies - acquiring development properties in the high growth regions of Northern NSW and SE Qld - FY 20/21 saw WPT purchase two new development sites in Northern NSW - "Sceniq", located in Bilambil Heights and "Wallum", located on the coastline at Brunswick Heads.
- Gearing was 36% at 30/6/2021. This is a slight decrease from 37.5% at 30/6/20.
- Net asset backing at 30/6/21 was \$0.95 per unit. This is an increase from \$0.88 per unit at 30/6/20.

Importantly, distributions for the year totalled \$18.1m and when combined with franking credits, the annualised distribution was 7.0 cents per unit.

Despite a solid financial result, the year wasn't without its challenges, none more prominent than those presented by COVID-19. The impact of COVID-19 is addressed on page 3 of the Directors' Report.





Outlook

Despite COVID-19 dominating the discussion and challenges within the property industry throughout FY 20/21, we've headed into FY 21/22 with our usual enthusiasm and optimism.

The property market remains very competitive, with a low interest rate environment being a driving force behind higher asset values. We continue our focus on acquiring quality assets as we build a commercially sustainable property portfolio that provides ongoing monthly income to our investors.

The development component of WPT continues to be a profitable business line, and we intend to continue our expansion into a range of Northern NSW markets where we consider demand to be sustained and supply to be constrained.

Capital Raising

Since re-opening WPT to investment after COVID in August 2020, we have had an inflow of almost \$100 million in new capital. We've used this to fund the purchases made since then, and additionally have retained some in reserve for another round of purchases in the months ahead, as we have some excellent properties currently in due diligence.

We are continuing to accept new capital and should you wish to add to your investment, it's a simple matter of completing an application form as an existing investor on-line at www.clarenceproperty.com.au. Have your Investor Number handy.

2020/21 Annual Tax Statement

Your Annual Tax Statement for the year ended 30 June 2021 was made available on-line via Boardroom on Friday 17/9/21. You will have received an email from "companies@boardroomlimited.com.au". For those Investors without email access, a copy of your tax statement will be mailed to you by Boardroom. If you have any questions regarding your statement, don't hesitate to call us on 1300 382 862 and select option 1.

I would like to also take this opportunity to thank the hard-working team who manage the WPT Portfolio on a day-to-day basis. I am proud of the way our Clarence team has faced the challenges COVID-19 has presented, and the ongoing support they have shown to our tenants and our communities.

Finally, I would like to thank our Investors. Our dedicated team remains committed to generating long term, enduring property income on your behalf.

Regards,

Peter Fahey - Managing Director

